

## Message Text

CONFIDENTIAL

PAGE 01 WARSAW 01560 040721 Z

15

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 FMC-04 L-03 NSC-10 RSR-01 /117 W  
----- 101319

R 040617 Z APR 73

FM AMEMBASSY WARSAW

TO AMEMBASSY MOSCOW

SECSTATE WASHDC 3311

INFO AMEMBASSY VIENNA

C O N F I D E N T I A L WARSAW 1560

E. O. 11652: XGDS

TAGS: BCOM, EFIN, ETRD

SUBJECT: VISIT TO POLAND OF EXIM BANK CHAIRMAN KEARNS

REF: WARSAW 0722 ( NOTAL); WARSAW 1503

MOSCOW FOR CHAIRMAN KEARNS

DEPARTMENT PASS TO EXIM CORETTE

VIENNA FOR EXIM- DIETZ

1. JAN WOLOSZY N, DEPUTY GENERAL MANAGER OF BANK HANDLOWY (BH), RECENTLY INFORMED US OF TWO ITEMS OF BUSINESS WHICH BH INTENDS TO RAISE WITH CHAIRMAN KEARNS DURING " WORKING MEETIN G" AT BH SCHEDULED FOR 0 830-1030, APRIL 6. HE DESCRIBED THESE AS FOLLOWS:

( A) CONFIDENTIAL CATEGORY C. WOLOSZYN SAID THAT, AS HE HAD DISCUSSED WITH EXIM OFFICIALS IN WASHINGTON IN SECOND HALF OF FEBRUARY, PLACEMENT OF POLAND IN THIS CATEGORY CAUSED SOME DIFFICULTIES. AT PRESENT, IT WAS CHIEFLY MATTER OF PRESTIGE, BUT IT ALSO WAS FELT IT COULD MAY WELL HAVE PRACTICAL SIGNIFICANCE FOR FUTURE. SINCE EXIM CREDIT WOULD NOT BE AVAILABLE FOR INDIVIDUAL PURCHASES OF U. S. MACHINERY AND EQUIPMENT TOTALING LESS THAN \$1  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 WARSAW 01560 040721 Z

MILLION, IT WAS EXPECTED THAT SUPPLIER CREDITS WOULD BE USED TO FINANCE SUCH TRANSACTIONS. FOR EXIM GUARANTEES OF SUPPLIER CREDITS, WOLOSZYN SAID, HE UNDERSTOOD THAT DIFFERENCE IN COST BETWEEN CATEGORIES A AND B ON ONE HAND, AND CATEGORY C ON OTHER WAS ON ORDER OF 1 1/2 PERCENT, WHICH WAS SUBSTANTIAL IN THEIR VIEW.

WOLOSZYN SAID GOP HAD TRANSMITTED SIGNIFICANT AMOUNT OF RECENT BALANCE OF PAYMENTS INFORMATION TO EXIM, WHICH HE UNDERSTOOD WAS PREREQUISITE FOR ANY POSSIBLE REASSESSMENT BY EXIM OF POLAND'S ASSIGNED CATEGORY. ALTHOUGH BH WAS NOT ABLE TO PROVIDE INFORMATION ON POLAND'S RESERVES, SINCE THIS DATA WAS NOT PUBLISHED, WOLOSZYN SAID HE HOPED INFORMATION ALREADY SUBMITTED MIGHT BE SUFFICIENT FOR EXIM'S PURPOSES. HE ALSO CLAIMED THERE HAD BEEN SOME DISCUSSION IN WASHINGTON OF ESTABLISHMENT OF "SPECIAL CATEGORY S" FOR SOCIALIST COUNTRIES, WHICH HE SAID WOULD BE FINE WITH POLAND AS LONG AS IT MEANT REASONABLE INTEREST RATE, AS OPPOSED TO "SPECIAL" HIGHER RATES.

(B) U. S.- FLAG VESSEL SHIPPING REQUIREMENT. WOLOSZYN RECOUNTED WASHINGTON DISCUSSION ON THIS SUBJECT AND SAID HE WOULD LIKE TO SEEK FURTHER CLARIFICATION FROM CHAIRMAN KEARNS. WAIVER OBTAINED FROM U. S. MARITIME AUTHORITIES WAS HELPFUL AS FAR AS IT WENT, WOLOSZYN SAID, BUT HE NEVERTHELESS WAS STILL CONCERNED ABOUT THIS ISSUE BECAUSE (1) LARGE PORTION OF U. S. SALES OF MACHINERY AND EQUIPMENT TO POLAND WAS MADE ON FOB BASIS, AND (2) NECESSITY TO SHOW THAT U. S. FLAG VESSELS WOULD NOT BE AVAILABLE TO TRANSPORT INDIVIDUAL ORDERS COULD BE VERY BURDENSOME. (EMBASSY WOULD APPRECIATE RECEIPT OF CLARIFICATION FROM WASHINGTON RE WHAT WAS AGREED TO WITH BH IN FEBRUARY TALKS IN WASHINGTON ON THIS POINT).

2. JUDGING FROM WOLOSZYN'S COMMENTS CONCERNING THE TWO-STAGE GUARANTEE ARRANGEMENTS WHICH WERE AGREED TO BY EXIM AND BH DURING HIS WASHINGTON VISIT, THE GOP SEEMS REASONABLY SATISFIED WITH THIS OUTCOME. HOWEVER, WOLOSZYN DID MENTION AGAIN THAT THEY FELT EXIM'S DOCUMENTATION REQUIREMENTS ON EACH CREDIT WOULD BE A BURDEN FOR THE EXPORTER.

DAVIES  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 WARSAW 01560 040721 Z

CONFIDENTIAL

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:**  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973WARSAW01560  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** RR  
**Errors:** n/a  
**Film Number:** n/a  
**From:** WARSAW  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730433/aaaahoap.tel  
**Line Count:** 118  
**Locator:** TEXT ON-LINE  
**Office:** ACTION XMB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 WARSAW 0722 ( NOTAL), 73 WARSAW 1503  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07-Sep-2001 by cunninfx>; APPROVED <26-Oct-2001 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 971121  
**Subject:** VISIT TO POLAND OF EXIM BANK CHAIRMAN KEARNS  
**TAGS:** BCOM, EFIN, ETRD, PL  
**To:** MOSCOW  
SECSTATE WASHDC  
VIENNA  
XMB  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005